

**EU-MOLDOVA PARLIAMENTARY ASSOCIATION COMMITTEE**

**Fifth Meeting**

**25-26 October 2017**

**Strasbourg**

**FINAL**

**STATEMENT AND RECOMMENDATIONS**

*Pursuant to Article 441 (3) of the Association Agreement*

Under the co-chairmanship of Mr. Andi Cristea, on behalf of the European Parliament, and of Mr Iurie Leancă, on behalf of the Parliament of the Republic of Moldova, (hereinafter ‘Moldova’), the fifth meeting of the EU-Moldova Parliamentary Association Committee (PAC) was held in Strasbourg on 25-26 October 2017.

The Parliamentary Association Committee, having considered the state of play of EU-Moldova relations and of implementation of the Association Agreement, agreed upon the following final statement and recommendations.

The Parliamentary Association Committee:

*On EU-Moldova relations and the implementation of the AA/DCFTA*

1. Reiterates that pursuant to Article 49 TEU, the Republic of Moldova – like any other European state – has a European perspective and may apply to become a member of the European Union provided it adheres to the principles of democracy, respects fundamental freedoms and minority rights and the respect for the rule of law; Underlines that the European perspective of Moldova must be rooted first and foremost in an adherence to the values which underpin the EU;
2. Stresses the need to strongly focus on the implementation of the AA/DCFTA in all areas in order to realise the full potential of the agreement in line with the 10 March 2017 implementation report by the European Commission and the EEAS; Welcomes the adoption of the 2017-2019 National Action Plan on implementing the Association Agreement and of the annual legislative programme for the implementation of the Association Agreement in 2017; Underlines the importance of communicating and building consensus around the National Action Plan and consistently follow through the existing engagements also in 2018 regardless of the impending legislative elections;
3. Welcomes the continued growth in the Moldovan economy, the improved economic and financial outlook and stabilising role played by EU and international institutions in supporting economic growth in the country; Welcomes in turn the strengthening of the recovery in the EU which favours pro-cyclical dynamics in Moldova and among the EU’s Eastern partners;
4. Salutes the strengthening of EU-Moldova trade relations confirmed by the EU’s strong lead as first commercial partner for Moldova; Underlines the positive contribution that the EU-Moldova AA/DCFTA continues to have on EU-Moldova trade and economic relations, favouring structural reforms and the attractiveness of the economic conditions in Moldova;



5. Highlights how Moldova's deepening relation with the EU does not preclude it from maintaining and pursuing closer political and economic relations with third countries; considers that Moldova's opening to new markets will render its economy more competitive, will increase its attractiveness for investments and will lead to higher purchasing power for its citizens;
6. Encourages Moldovan institutions to work cooperatively and focus on tangible reforms which may bring about increased prosperity, competitiveness and justice for all Moldovans; Underlines the risk of stalling in the reform process due to the polarisation brought about by the approaching 2018 parliamentary elections as this would penalise Moldovan citizens and would be detrimental to Moldova's European path;
7. Recalls the Joint Statement by the European Parliament, the Council and the Commission (Annex II) on the decision to provide macro-financial assistance to the Republic of Moldova which made the respect for effective democratic mechanisms, including a multi-party parliamentary system and the rule of law and the respect for human rights, preconditions for granting macro-financial assistance;
8. Salutes the continuous support provided by the Council of Europe, the Venice Commission and the OSCE/ODIHR in addressing issues of fundamental importance for the strengthening of Moldovan institutions, the proper functioning of Moldovan democracy and in particular its opinion of 19 June 2017 on the electoral system for the election of the Parliament;
9. Underlines the importance of living up to the high expectations of the citizens of Moldova and the EU with respect to the eradication of corruption and bolstering the rule of law and good governance; Stresses the need for a commitment by Moldova to adopt and fully implement reforms related to the judiciary, public administration and the fight against corruption; Calls on the EU and Member States' authorities to fully support investigative efforts to bring to justice those responsible for active and passive corruptive practices in Moldova as well as in the EU;
10. Stresses furthermore the utmost importance of a profound reform of the justice system and in this respect looks forward to a full implementation of the justice reform strategy; underlines the need to enhance transparency and impartiality of the selection of judges and prosecutors; reminds of the high expectations of citizens regarding the judicial proceedings related to the banking fraud and of the need to bring all those responsible to justice; expresses therefore disappointment at the lack of progress in the prosecution of cases following the publication of the results of the Kroll investigation; stresses that all trials should be held in line with international standards and should be transparent;
11. Stresses the utmost importance of an effective fight against corruption, particularly at high level; reiterates that de-politicised state institutions and eradication of corruption at all levels are required for the reform process to have credibility in the eyes of the public; regrets, in this respect, the slow pace of implementation of the legislative package on integrity adopted in August 2016; underlines in particular the need to ensure a careful selection process of a truly independent leadership and inspectors of the National Integrity Authority and to allocate sufficient funding for its functioning, including the introduction of an efficient e-declaration system of assets by the end of 2017;
12. Calls on the Moldovan government to further promote the creation of an accountable, transparent and merit-based civil service, to tackle the excessive politicisation of state institutions, systemic corruption, the lack of judiciary independence, the financial sector governance and insufficient investigation into the banking fraud; Welcomes in this sense the

rationalisation in the number of ministries so as to create a more efficient and better paid public administration;

13. Commends the role that the vibrant Moldovan civil society plays in fostering participation in the political debate and calls on Moldovan authorities to protect and strengthen the activism of Moldovan civil society by providing a sound legal framework, avoiding unnecessary and intrusive regulations; Reaffirms that Moldova's civil society has a key role to play in monitoring the implementation of the Association Agreement and of the reform agenda; encourages the government and the parliament to cooperate with the EU-Moldova Civil Society Platform, which was set up within the framework of the Association Agreement for this purpose; reiterates that the engagement with civil society should be systematic and continuous and invites to use best practice of other Eastern Partnership countries in this area;
14. Recalls the importance of ensuring media pluralism - including of TV channels, protecting independent media and freedom of expression, and reforming the national broadcaster; in this respect, stresses once more the urgency of adopting a new audiovisual code which has been pending for several years already; therefore calls on the related working group that was recently established by the Moldovan Parliament to operate quickly with a view to the adoption of a new audiovisual code based on the draft developed in 2011 in consultation with civil society and with support of the EU, the Council of Europe and the OSCE before the summer; The new Code should provide the instruments needed to deal with the spread of disinformation and propaganda by Russian media channels in line with best practices of EU in general and Member States in particular;
15. Calls for continued efforts in the strengthening of independent banking supervision and stabilisation of the banking sector, so as to increase confidence in the Moldovan financial sector and avoid the repetition of the Moldovan 2014 bank scandal and money-laundering cases; Recognises the utmost importance of recently adopted Law on Banking Activity compliant with Basel III requirements;
16. Encourages EU and Moldovan authorities to pursue policies which will favour people-to-people contacts, education exchanges and stronger inclusion of Moldovan educational institutions in the European Higher Education Area and Bologna Process;
17. Calls on the Moldovan government to reform the energy sector to increase transparency in costs and contracts in the energy sector, to improve energy independence and efficiency particularly by strengthening the independence of the energy regulator, increasing energy interconnections with the EU and through a diversification of energy sources, including renewable energy and a reduction of its dependence on fossil fuels;

#### *On the Eastern Partnership Summit*

18. Welcomes the 6 July joint statement by the Presidents of Parliament of Georgia, Moldova and Ukraine reaffirming the strong pro-European commitment of their respective Parliaments in view of the Eastern Partnership Summit of 24 November 2017 in Brussels;
19. Highlights the important role played by strong parliamentary relations in order to deepen bilateral EU-Moldova relations as well as contributing to policy priorities for the future of the Eastern Partnership, scrutinise the areas of insufficient progress, share best practices, build trust and provide political momentum for the success of the Eastern Partnership;
20. Welcomes the stronger coordination among Eastern Partners' parliaments and especially the parliaments of the countries with which the EU has concluded an Association Agreement; highlights in this respect the positive role that the Working Group on Association Agreement

of the Euronest Parliamentary Assembly could bring to the full fruition the potential of the Association agreements and of the Deep and Comprehensive Free Trade Area (AA/DCFTA);

21. Encourages all EU Member States to strongly commit to the Eastern Partnership so as to promote further stability, convergence and shared prosperity for EU and Eastern Partnership's citizens alike;
22. Urges EU institutions and Member States to beef-up defences in order to confront hybrid threats such as cyber-attacks, disinformation campaigns and illicit financing to political parties - posed by state and non-state actors; Invites the EU and Eastern Partners to share best practices in these areas; Welcomes the stronger focus on deepening EU security and defence structures and calls for the cooperation of capable and willing Eastern Partners in defence projects and CSDP structures where appropriate;
23. Welcomes the EEAS and EC's Joint Working Document identifying 20 Deliverables for 2020; Is of the opinion that strong pursuit of the deliverables and the implementation of joint programmes is essential in order to show the tangible benefits of the Eastern Partnership to the citizens of the Eastern Partners and EU alike;
24. Underlines how under the European Neighbourhood Policy and the Eastern Partnership, the EU has established an approach marked by enhanced differentiation between partners; a greater focus on objectives agreed with partners and greater ownership by Member States and partner countries; Stresses the importance of providing additional opportunities to deepen the relations between the EU and those partners that have made substantial progress in implementing AA/DCFTA-related reforms in order to provide sustained momentum in the relation, in line with the 'EaP+' model under consideration by the European Parliament; Considers that these opportunities could include additional financing for Ukraine, Georgia and Moldova, which could focus on social and economic infrastructure, additional unilateral tariff preferences, the abolition of roaming tariffs between the partners and the EU and the development of high-capacity broadband, as well as longer-term objectives such as joining the customs union, energy union, the digital union and Schengen area, integration into EU transport networks, industrial partnerships, increased participation in other EU programmes and agencies;

#### *On the Transnistrian Issue*

25. Remains deeply concerned that the independence, sovereignty and territorial integrity of the EU's Eastern partners continues to be undermined by unresolved conflicts, most of which were initiated and are still actively sustained by the Russian Federation in contradiction with its international commitments to uphold the international legal order, notably as a permanent member of the UN Security Council;
26. Calls on Russia to engage constructively within the 5+2 framework in order to find an effective and lasting solution for the settlement of the Transnistrian issue; acknowledges the lack of progress so far in the '5+2' framework and demands a greater involvement on the part of the EU; Calls on Russia to recognise and respect the sovereignty and territorial integrity of Moldova, to reduce the ageing stockpiles of ammunition which is a threat to the region's security and to withdraw its troops from the Moldovan territory; Reiterates its calls on Chisinau and Tiraspol to intensify their efforts in order to find an effective solution for the settlement of the Transnistrian issue in the framework of the 5+2 talks and to take concrete steps to improve the livelihoods of the population; therefore encourages all sides to resume the 5+2 talks as soon as possible.